

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 4 - 2 4

2. STATE:

Maryland

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

Medicaid

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

February 1, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 \$ 0

b. FFY 2005 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A&B, Page 64
Attachment 4.19A&B, Page 64-A (New)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19A&B, Page 64 (96-8)

10. SUBJECT OF AMENDMENT:

Explain changes in the reimbursement methodology for the providers of Mental Health
Rehabilitation Services.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Susan J. Tucker, Executive Director
Office of Health Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Nelson J. Sabatini

13. TYPED NAME:

Nelson J. Sabatini

14. TITLE: Secretary, Department of Health
and Mental Hygiene

15. DATE SUBMITTED:

March 29, 2004

16. RETURN TO:

Susan J. Tucker, Executive Director
DHMH - OHS
201 W. Preston St., Ste. 124
Baltimore, MD 21201

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

March 29, 2004

18. DATE APPROVED:

June 25, 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

February 1, 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

Mary T. McSorley for Mary T. McSorley

21. TYPED NAME:

Mary T. McSorley

22. TITLE: Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

FEDERAL REGULATION CITATIONS:

Attachment 2.2 A 42 CFR 435.10

Attachment 2.6 A 42 CFR Part 435, Section 435.10 and Subparts G & H AT-78-90, AT-80-6, AT-80-34 1902(l) and (n) of the Act, P.L. 99-509 (Secs. 9401 and 9402), 1902(l) and (n) and 1920 of the Act, P.L. 99-509 (Secs. 9401, 9402, and 9407)

Attachment 3.1 A Part 400, Subpart B and 1902(e)(5), 1905(a)(18) through (20), and 1920 of the Act, P.L. 99-272 (sections 9501, 9505 and 9526) and 1902(a), 1902(e)(47), 1902(e)(7) through (9), and 1920 of the Act, P.L. 99-509 (sections 9401(d), 9403, 9406 through 9408) and P.L. 99-514 (section 1895(c)(3))

Attachment 3.1 B 42 CFR Part 440, Subpart B, 42 CFR 441.15, AT-78-90, AT-80-34

Attachment 3.1 C 42 CFR 431.53, AT-78-90

Attachment 3.1 F 1905(a)(24) and 1930 of the Act, P.L. 101-508 (Section 4712 OBRA 90)

Attachment 4.18 A 447.51 through 447.58

Attachment 4.18 C 447.51 through 447.58

Attachment 4.19 A & B (a) 42 CFR 447.252, 46 FR 44964, 48 FR 56046, 50 FR 23009, 1902(e)(7) of the Act, P.L. 99-509 (section 9401(d))

(b) 42 CFR 447.201, 42 CFR 447.302, AT-78-90, AT-80-34, 1903(a)(1) and (n) and 1920 of the Act, P.L. 99-509 (Section 9403, 9406 and 9407), 52 FR 28648

Attachment 4.16 42 CFR 431.615(c) AT-78-90

Attachment 4.19 D (d) 42 CFR 447.252, 47 FR 47564, 48 FR 56046, 42 CFR 447.280, 47 FR 31513, 52 FR 28141

Attachment 4.22 A (a) 433.137(a), 50 FR 46652, 55 FR 1423

Attachment 4.22 B (b) 433.138(f), 52 FR 5967, 433.138(g)(1)(ii) and (2)(ii), 52 FR 5967, 433.138(g)(3)(i) and (iii), 52 FR 5967, 433.138(h)(4)(i) through (iii), 52 FR 5967

Attachment 4.22 C Section 1906 of the Act

Attachment 4.26 1927(g) 42 CFR 456.700, 1927(g)(1)(A), 1927(g)(1)(a) 42 CFR 456.705(b) and 456.709(b), 1927(g)(1)(B) 42 CFR 456.703(d) and (f), 1927(g)(1)(D) 42 CFR 456.703(b), 1927(g)(2)(A) 42 CFR 456.705(b), 1927(g)(2)(A)(i) 42 CFR 456.705(b), 1927(g)(2)(A)(ii) 42 CFR 456.705(b), (1)-(7), 1927(g)(2)(A)(iii) 42 CFR 456.705(c) and (d), 1927(g)(2)(B) 42 CFR 456.709(a), 1927(g)(2)(C) 42 CFR 456.709(b), 1927(g)(2)(D) 42 CFR 456.711, 1927(g)(3)(A) 42 CFR 456.716(a), 1927(g)(3)(B) 42 CFR 456.716 (A) and (B), 1927(g)(3)(C) 42 CFR 456.716(d) 1927(g)(3)(C) 42 CFR 456.711 (a)-(d), 1927(g)(3)(D) 42 CFR 456.712 (A) and (B), 1927(h)(1) 42 CFR 456.722, 1927(g)(2)(A)(i) 42 CFR 456.705(b), 1927(j)(2) 42 CFR 456.703(c)

Attachment 4.32 A (a) 433.940 through 433.960, 52 FR 5967

Attachment 4.33 A (a) 1902(a)(48) of the Act, P.L. 99-570 (Section 11005), P.L. 100-53 (Section 5(a)(3))

Attachment 4.35 A (a) 1915(b)(1) and (2) of the Act, P.L. 100-193 (Section 4212(a))

Attachment 4.35 B (b) Same as above

Mental Health Rehabilitation Services Program
Reimbursement Methodology

Providers participating in the Mental Health Rehabilitation Services Program ("Rehabilitation Program") are reimbursed at fixed rates established by the Department of Health and Mental Hygiene as detailed in COMAR 10.21.25. This regulation limits reimbursements to Rehabilitation Program providers to the lesser of the amount billed to the Medical Assistance Program or the fee established in COMAR 10.21.25.

Reimbursements to licensed mental health professionals and Outpatient Mental Health Clinics (COMAR 10.21.20) providing Diagnostic and Therapeutic treatment Rehabilitation Services (COMAR 10.21.25.04) and additional treatment services (COMAR 10.21.25.05) are generally determined by an examination of three factors for services most commonly billed and reimbursed. These are the rates paid by Medicare for these services, the quantity of such services expected to be delivered, and the appropriation available to pay for these services. Based upon these considerations, rates are established as an approximate percentage of Medicare rates for similar services. Because of additional expertise and coordination efforts usually required in the diagnosis and treatment of severe emotional disturbance in children, an enhanced rate is offered for the treatment of children and adolescents.

Reimbursement for support services rendered by Psychiatric Rehabilitation Programs (10.21.21) are detailed in COMAR 10.21.25.08. At one time, fee for service rates were calculated using actual program costs and services provided. In order to promote flexibility and efficiency in service utilization, reimbursements based on a series of monthly case rates have been established. To establish these rates, patients were divided into four groups, including two groups living in State supported Residential Rehabilitation Programs (RRP) and two groups living in the community. Levels of service for individuals residing in RRP included those in beds with intensive supports and those in beds with general supports. Individuals living in community settings were divided into those living independently (i.e., either alone or with other individuals who were not legally responsible for their care) and those living with individuals who were legally responsible for their care. For each of these groups, mean monthly service utilization and reimbursements were calculated. Based on these calculations, the number of individuals in service at each level, and the amount of appropriation available to reimburse these services, monthly rates for each of the levels were established in February 2004.

TN No. 04-24

Supersedes

TN. No. 96-8 Approval Date JUN 25, 2004 Effective Date FEB. 1, 2004

Reimbursement for treatment services offered by programs, including Mobile Treatment Programs (10.21.19), free standing Partial Hospitalization Programs (10.21.02), and Residential Crisis Programs (10.21.26) were determined by identifying costs associated with each type of program, summing the costs of the program, and dividing those costs by the number of days or months of patient care expected to be delivered with resources included in the cost calculations. Reimbursement rates for these services are detailed in 10.21.25.07.

Utilization Review Program

The Mental Hygiene Administration shall assure that all non-emergency services in the Specialty Mental Health System are subject to appropriate utilization review and management as detailed in COMAR 10.09.70.07.

TN No. 04-24

Supersedes

TN. No. New Approval Date JUN 25, 2004 Effective Date FEB. 1, 2004